REMARKS

In the Office Action dated November 29, 2005, the Examiner rejected claims 1-8, 11-15, 23-30, 33-37, 45-46, 50-59, 61, 64-73, 75, 78-87, 89, 92-101, 103, 106-113, 115, 118-125, 127-133, 136-143, and 145-159 under 35 U.S.C. § 103(a) as being unpatentable over Block in view of Basch et al. (US 6,119,103) and further in view of Cohen (US 6,422,462), and rejected claims 9, 10, 31, 32, 134, and 135 under 35 U.S.C. § 103(a) as being unpatentable over Block in view of Basch et al. and further in view of Taylor (US 5,530,232)1. Based on the following remarks, Applicants respectfully traverse the above rejections under 35 U.S.C. § 103(a).

I. The rejections of Claims 1, 11, 23, 33, 45, 46, and 128 under 35 U.S.C. § 103(a)

To establish a prima facie case of obviousness, three basic criteria must be met. First, the prior art reference or references, taken alone or combined, must teach or suggest each and every element recited in the claims. *See* M.P.E.P. § 2143.03. Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the references in a manner resulting in the claimed invention. *See* M.P.E.P. § 2143. Third, a reasonable expectation of success must exist. *See* M.P.E.P. § 2143.02. Moreover, each of these requirements must "be found in the prior art, and not based on applicant's disclosure." M.P.E.P. § 2143.

[1] The Office Action contains a number of statements reflecting characterizations of the cited art and the claims. Regardless of whether or not any such statements are identified herein, Applicants decline to automatically subscribe to any statement or characterization in the Office Action.

A. The cited art, alone or in combination, do not teach or suggest the claims limitations of claims 1, 11, 23, 33, 45, 46, and 128

Independent claims 1, 11, 23, 33, 45, and 46 recite, among other things:

> issuing the credit card to the cardholder with the established first credit line as a main credit line and the established second credit line as an embedded credit line, wherein the first credit line is associated with a first credit limit and the second credit line is associated with a second credit limit, and wherein the first credit limit includes the second credit limit

In the Office Action the Examiner admits that Block "fails to teach the second credit line as an embedded credit line wherein the first credit limit includes the second credit limit." (Office Action, page 4). The Examiner further states that "the concept of embedded credit line explained by the Applicant in the specification on page 12, line 18, through page 13, line 5," and alleges that "based on this disclosure an 'embedded' credit line is merely an accounting practice whereby the dual credit line has two fixed limits. The first is a limit on the amount allocated to the general purpose credit line (e.g. $4000) and the second limit is on the total amount of charges regardless of the credit line (e.g. $6000). In other words, the concept of embedding the credit lines is interpreted as being an accounting practice as described by Applicant in the cited passage and by Examiner above." (Office Action, page 4).

The Examiner further alleges that "Cohen teaches multiple brands of cards can be bundled together on a single customized card for ease of use for the user. . . [and] teaches setting up the card to be capable of some fixed amount of charges with the user free to use any of the accounts on the card in any combination desired to charge up to that amount." (Office Action, page 5). The Examiner ends by stating that "this represents Applicant's embedding of credit limits." (Office Action, page 5)

First, Applicant disagrees with the Examiner's characterization of "embedded" credit lines. An embedded credit line is not "merely and [sic] accounting practice whereby the dual credit line has two fixed limits," as alleged by the Examiner. The portions of the specification cited by the Examiner describes embedded credit lines as follows:

> Any charge to the embedded credit line may cause a dollar-for-dollar reduction in the amount of available credit for the main credit line. For example, with a main credit line that is established as a private label credit line of $6,000, and an embedded credit line that is established as a general purposed credit line of $4,000, charges applied to the general purpose credit line will reduce the available credit under the private label credit line. For instance, a $1,500 charge to the general purpose credit line will reduce the available credit under the private label credit line by $1,500 to $4,500 (assuming there are no other outstanding charges). Such a charge will also reduce the available credit under the general purpose credit line by $1,500 to $2,500.

The example described here merely shows a charge amount affecting distinct credit limits, and not an accounting practice as asserted by the Examiner.

Second, contrary to the Examiner's assertions, <u>Cohen</u> also does not teach or suggest the above cited claim limitations. <u>Cohen</u> states "multiple brands of cards can be bundled together on a single customized card for ease of use of the user." (Col. 11:11-13). The term brand is used herein to refer to the general card issuing authorizes whether Visa, MasterCard, American Express, Discover, etc." (Col. 11:14-18). "When the user presents this single card to the vendor he or she has the option to decide which of those brands' account(s) on the card he or she wants to use for the transaction. (Col. 11:23-25).

Given the description of embedded credit cards as disclosed in the specification and recited above, however, <u>Cohen</u> does not teach or suggest "issuing the credit card

to the cardholder with the established first credit line as a main credit line and the established second credit line as an embedded credit line." Cohen states "a single transaction could even be broken dup among a series of cards if desired with the transaction statement indicating for example that $200 out of the $600 dollar purchase was charge to the Visa account, and an equal amount to the MasterCard and Amex accounts. " (25-31). There is nothing to suggest in Cohen that the two brands, MasterCard and Amex are embedded. Furthermore, Cohen does not show an association between any of the credit limits of each brand on this customized card. Therefore the reference does not teach or suggest "wherein the first credit limit includes the second credit limit."

Therefore, Cohen fails to teach or suggest "issuing the credit card to the cardholder with the established first credit line as a main credit line and the established second credit line as an embedded credit line, wherein the first credit line is associated with a first credit limit and the second credit line is associated with a second credit limit, and wherein the first credit limit includes the second credit limit," as recited in claims 1, 11, 23, 33, 45, and 46. Claim 128 includes similar limitations as recited in claims 1, 11, 23, 33, 45, and 46. Therefore, the cited art fails to teach or suggest the recitations of claim 128 for at least the same reasons set forth above in connection with these claims.

B. No motivation to combine the references exists

A *prima facie* obviousness has not been established at least because the requisite motivation to combine Block , Basch et al., and Cohen is lacking. Determinations of obviousness must be supported by evidence in the record. *See In re Zurko*, 258 F.3d 1379, 1386 (Fed. Cir. 2001) (finding that the factual determinations

central to the issue of patentability, including conclusions of obviousness by the Board, must be supported by "substantial evidence"). Further, the desire to combine references must be proved with "substantial evidence" that is a result of a "thorough and searching" factual inquiry. *In re Lee*, 277 F.3d 1338, 1343-1344 (Fed. Cir. 2002) (quoting *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351-52).

In this case, the Office Action does not show that a skilled artisan considering Block , Basch et al., and Cohen, and not having the benefit of Applicants' disclosure, would have been motivated to combine or modify the references in a manner resulting in Applicants' claimed combination. The Examiner alleges that a skilled artisan would have modified Block "in order to limit the total amount of charges on a credit card." (Office Action, page 5). This conclusion is not properly supported and does not show that a skilled artisan would have combined the references as alleged. The mere fact that Cohen mentions a bundle of multiple brands of cards on a single card does not show that a skilled artisan would have been motivated to modify Block as alleged.

The M.P.E.P. makes clear that: "[t]he mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination" M.P.E.P. § 2143.01 (citations omitted). The Examiner has not shown that the cited art "suggests the desirability" of the alleged combination. Indeed, there is no reason why a skilled artisan would look to modify the co-branded card system disclosed in Block with the multiple brand customized card of Cohen because in Block, the co-branded credit card already includes a credit line for a company such as MasterCard, and, thus, there is no need in the Block system to add in any other credit lines for other brands. Block is only meant to have two credit lines, one

for a store's line of credit and a second one such as MasterCard for use with all purchases where MasterCard is accepted. (Block, page 2)

Therefore, the conclusions in the Office Action were not reached based on facts gleaned from the cited references and that, instead, were improperly developed by using the teachings of the present application in hindsight to reconstruct the prior art.

In rejecting claims 9, 10, 31, 32, 134, and 135, the Examiner also admits Block and Basch et al. do not teach a plurality of first and second credit lines. (Office Action, page 13.) The Examiner asserts, however, Taylor teaches these missing features. (Id.) Contrary to the Examiner's assertions, Taylor is similar to Cohen in that it teaches a card having multiple brands in a single card. This, as explained above, is different from having a first and second credit limit as recited in claims 1, 11, 23, 33, 45, 46, and 128. Further, Taylor does not teach multiple credit lines as recited in claims 9, 10, 31, 32, 134, and 135.

Also, because claims 9, 10, 31, 32, 134, and 135 depend from claims 1, 23, and 128, respectively, these claims are distinguishable from the cited art for at least the same reasons set forth above in connection with claims 1, 23, and 128.

Therefore, Block, Basch et al., and Taylor, whether taken alone or in combination, fail to disclose or suggest all of the elements of claims 1, 11, 23, 33, 45, 46, and 128 and dependent claims 9, 10, 31, 32, 134, and 135. The Examiner has, therefore, not met an essential criteria for establishing a *prima facie* case of obviousness. *See* M.P.E.P. §§ 2142, 2143, and 2143.03.

For at least the foregoing reasons, Block , Basch et al., Cohen, and Taylor, alone or in combination, fail to support the rejection of claims 1, 11, 23, 33, 45, 46, and 128,

under 35 U.S.C. § 103(a). Accordingly, Applicants request the withdrawal of the rejection and the timely allowance of the claim.

In view of the foregoing, Applicants respectfully submit that independent claims 1, 11, 23, 33, 45, 46, and 128 are allowable, for the reasons argued above. In addition, dependent claims 2-7, 9-10, 12-14, 16-22, 24-29, 31-32, 34-36, 38-44, 47, 50-52, 54-61, 64-66, 68-75, 78-80, 82-89, 92-94, 96-103, 106-115, 118-127, 129-132, 134-136, and 138-159 are also allowable at least by virtue of their respective dependence from independent claims 1, 11, 23, 33, 45, 46, and 128. Therefore, Applicants respectfully request the Examiner to withdraw the 35 U.S.C. § 103(a) rejections and allow the claims.

II. Conclusion

In view of the foregoing remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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